

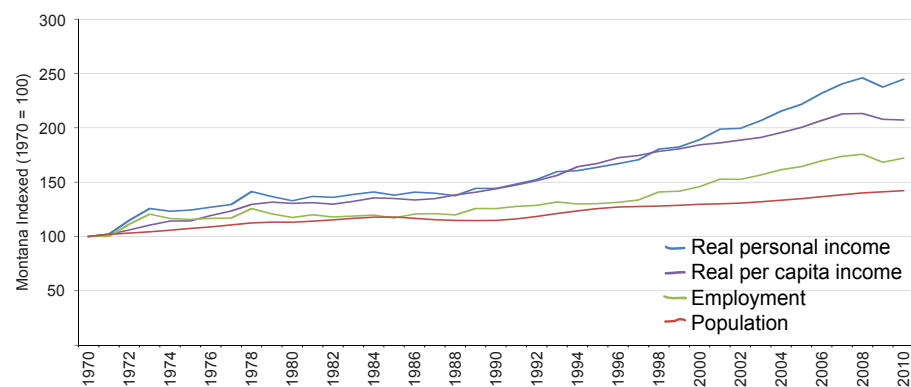


MONTANA'S ECONOMY AND THE ROLE OF FEDERAL PROTECTED LANDS

This paper summarizes Montana's economy and the role of federal protected lands. It analyzes how the state has performed, what is driving economic growth, and how protected lands play a positive role in attracting people, investment, and businesses to Montana communities.

Montana's economy is growing and outperforming the broader U.S. economy.

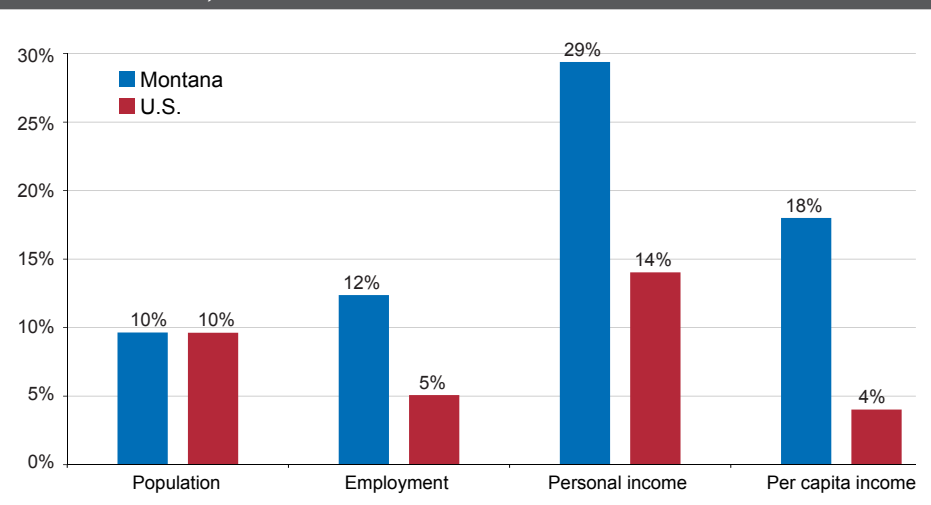
GROWTH MEASURES, MONTANA 1970-2010



From 2000 to 2010, Montana's population grew by 10%, employment 12%, and real per capita income 18%. Over the same time period, real personal income grew by 29%, driven by higher quality jobs and a rapid growth of investment and retirement income.

FROM 2000 TO 2010,
MONTANAN'S REAL
PERSONAL INCOME
GREW BY
29%

MONTANA VS U.S., PERCENT CHANGE 2000-2010



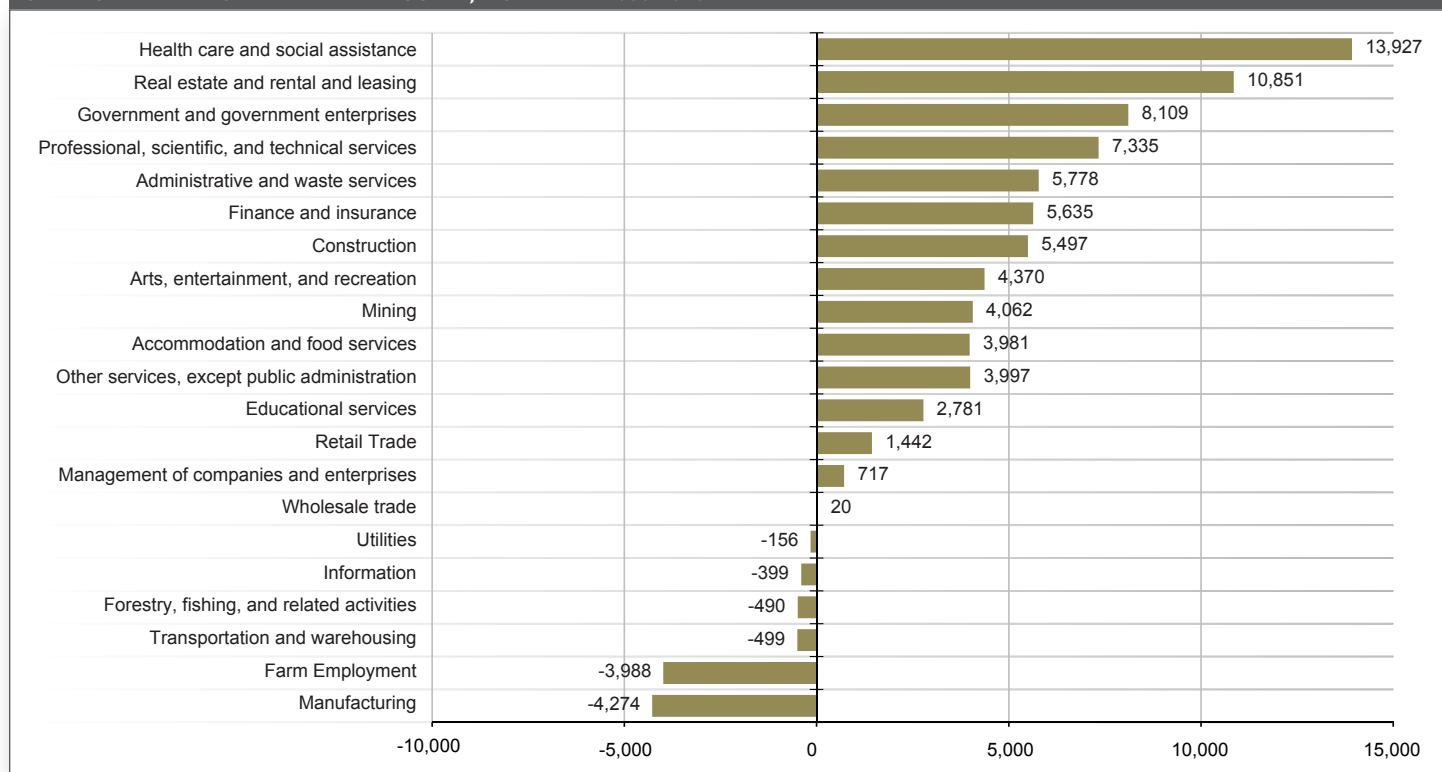
From 2000 to 2010, Montana's population grew substantially while adding new jobs and real personal income at more than twice the national rate, and real per capita income at more than four times the national rate.

"Public lands are an essential component of the larger public infrastructure that provides the amenities and services needed for businesses and families all across Montana and the West to prosper."

*Dr. Richard Barrett,
University of Montana*

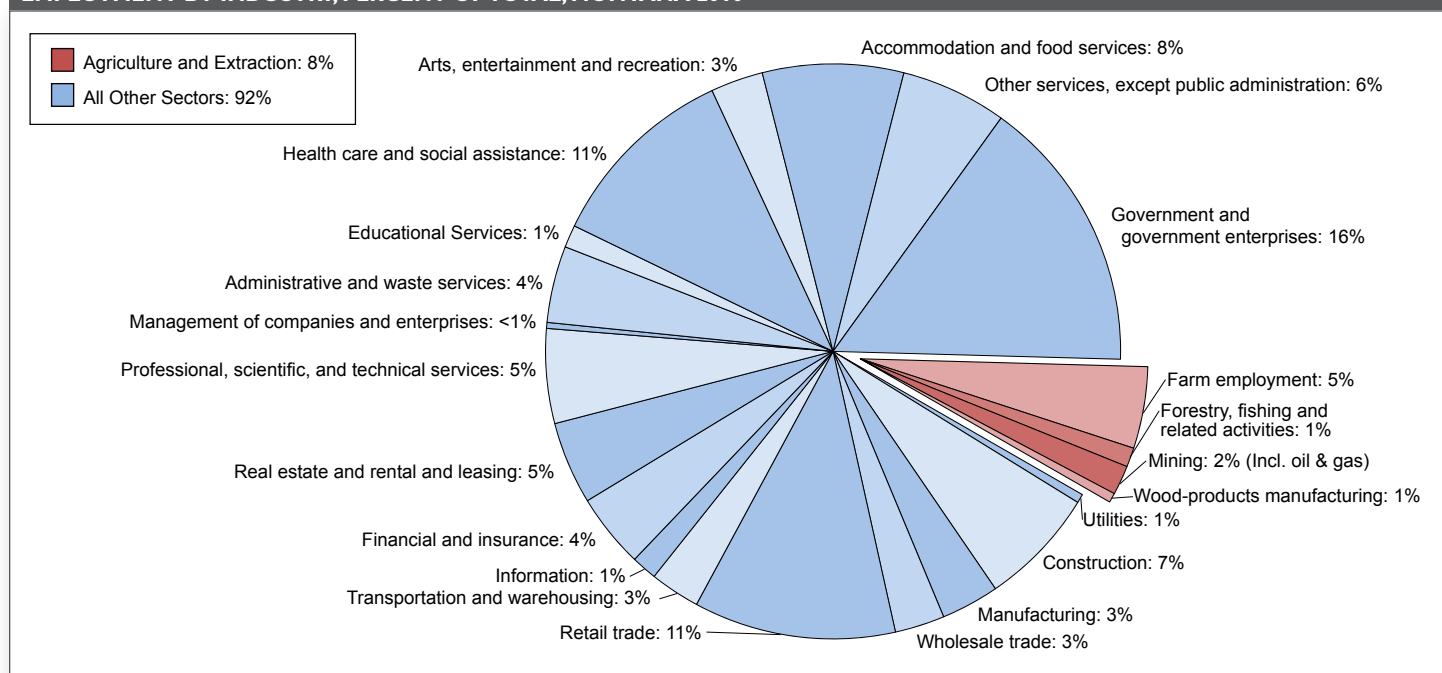
High wage services industries led Montana's job growth, diversifying the state's economy.

CHANGE IN EMPLOYMENT BY INDUSTRY, MONTANA 2000-2010



From 2000 to 2010, Montana's economy created 73,732 new jobs, with 95% of this growth coming from service-related industries. The fastest growing sectors included health care, real estate, government, and professional services.

EMPLOYMENT BY INDUSTRY, PERCENT OF TOTAL, MONTANA 2010



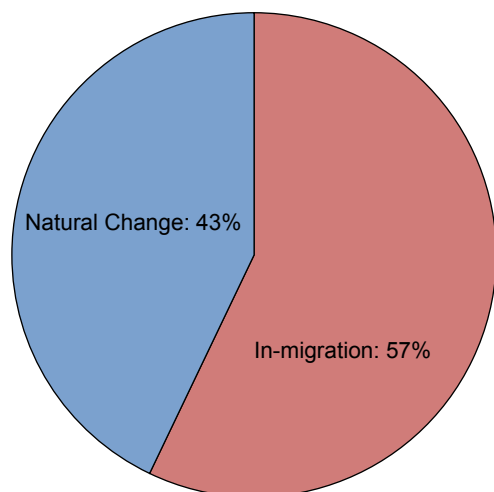
The state's diverse industry mix means that assets—such as quality education and unique federal public lands—that attract people and business across a range of services sectors are critical to Montana's economic future.

Montana is attracting people and investment, while creating businesses faster than the U.S.

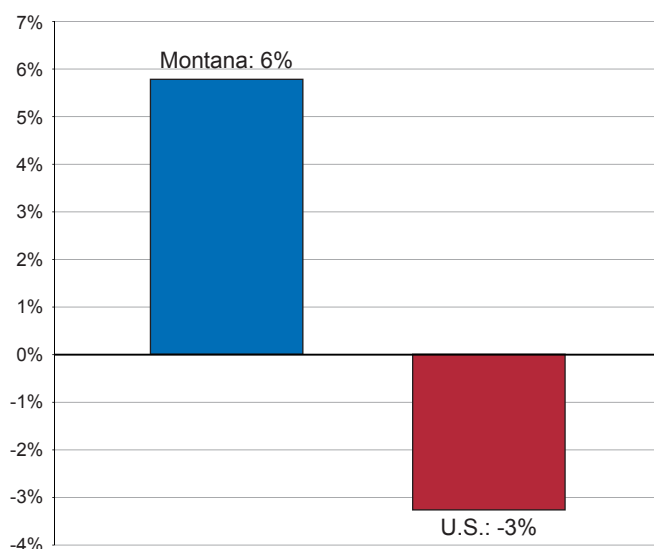
People are drawn to Montana for its remarkable quality of life and natural amenities, bringing investment income and business connections to the larger world.

FROM 2000 TO 2009, MONTANA CREATED
4,477 NET NEW
BUSINESSES

SHARE OF POPULATION GROWTH, MONTANA 2000-2010

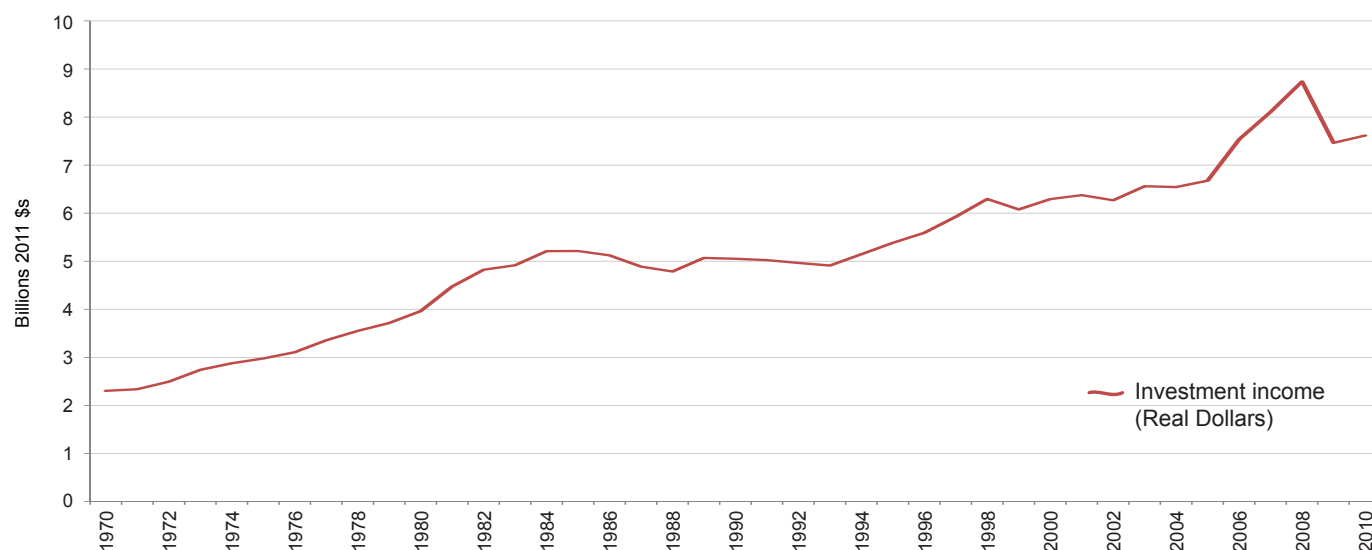


CHANGE IN BUSINESSES PER 1,000 PEOPLE, 2000-2009



From 2000 to 2009, Montana created 4,477 net new firms, and the number of businesses per 1,000 people grew by 6%. In the U.S. over the same time period, the number of businesses per 1,000 people shrank by 3%.

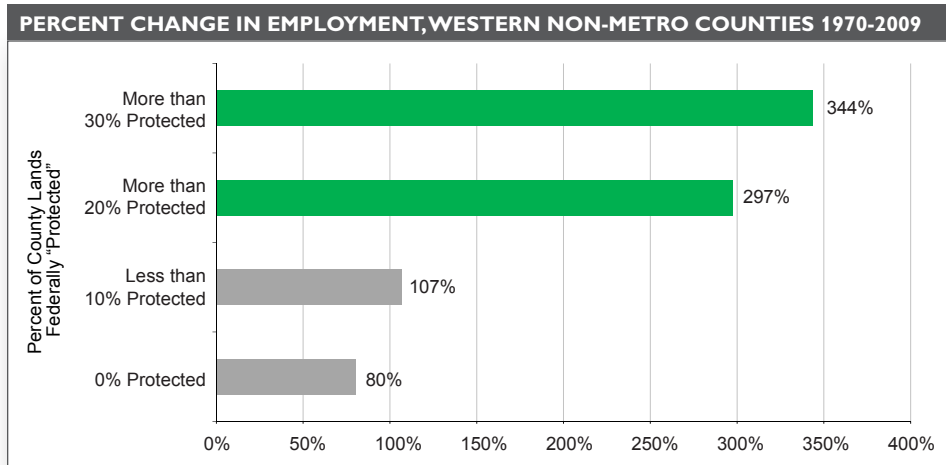
DIVIDENDS, INTEREST, AND RENT, MONTANA 1970-2010



From 1970 to 2010, investment income—dividends, interest, and rent—was Montana's fastest growing source of personal income, increasing from \$2.3 to \$7.6 billion, in real terms, a 231% gain. In 2010, investment income was 21% of total personal income in the state. Combined with transfer payments, mostly age-related, non-labor income made up 41% of total personal income in 2010.

Economists believe protected federal lands are an important driver of economic growth.

Across Montana and the West, protected federal lands such as National Parks and Wilderness are associated with higher rates of job growth.



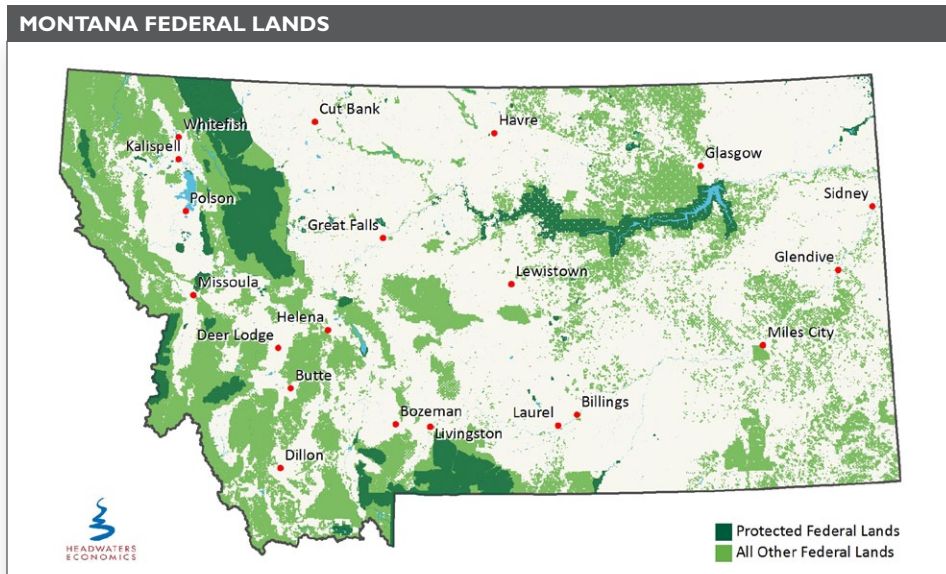
From 1970 to 2009, western non-metropolitan counties with more than 30 percent federal protected land increased jobs by 344%. Non-metro counties with no protected federal lands increased employment by 80%.

WESTERN NON-METRO COUNTIES WITH MORE THAN 30% OF LANDS FEDERALLY PROTECTED INCREASED JOBS BY

344%

"People create economic opportunities and people are drawn to beautiful natural settings and highly livable communities; making Montana's quality environment one of the state's key economic assets. Protecting and enhancing Montana's environmental amenities is essential for sustained economic growth."

*Dr. Larry Swanson,
The O'Connor Center for
the Rocky Mountain West*



Reference

The West is defined as the 11 public lands continental western states: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

"Protected" federal lands include areas such as National Parks, Wilderness, National Monuments, National Conservation Areas, National Recreation Areas, National Wild and Scenic Rivers, and National Wildlife Refuges. For more details, see: <http://headwaterseconomics.org/tools/eps-hdt/tech-info>.

More than 100 economists recently urged the President to protect federal lands as an important economic asset. See: <http://headwaterseconomics.org/land/reports/economists-president-public-lands>.

Non-Metropolitan counties are counties without an urbanized area of 50,000 or more population, or a high degree of social and economic integration with a Metropolitan Statistical Area as measured by commuting ties.

Data in this publication are from: U.S. Department of Commerce. 2012. Bureau of Economic Analysis, Regional Economic Information System, Washington, D.C.; U.S. Department of Commerce. 2012. Census Bureau, Population Division, Washington, D.C.; U.S. Department of Commerce. 2012. Bureau of Economic Analysis, Regional Economic Information System, Washington, D.C.; U.S. Department of Commerce. 2011. Census Bureau, County Business Patterns, Washington, D.C.; AZ Land Resources Information System, 2009; MT Natural Heritage Program, 2008; Conservation Biology Institute, 2008 (for CA); Conservation Biology Institute, 2006 (for remaining states).

For More Information

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Headwaters Economics is an independent research group whose mission is to improve community development and land management decisions in the West.